

DISTRICT OF COLUMBIA RECEIVERSHIP ACCOUNTABILITY ACT OF 2000

Mr. DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3995) to establish procedures governing the responsibilities of court-appointed receivers who administer departments, offices, and agencies of the District of Columbia government, as amended.

The Clerk read as follows:

H.R. 3995

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia Receivership Accountability Act of 2000".

SEC. 2. SPECIAL RULES APPLICABLE TO RECEIVERS WITH RESPONSIBILITIES OVER DISTRICT OF COLUMBIA GOVERNMENT.

(a) **IN GENERAL.**—Each District of Columbia receiver shall be subject to the requirements described in section 3.

(b) **DISTRICT OF COLUMBIA RECEIVER DEFINED.**—In this Act, a "District of Columbia receiver" is any receiver or other official who is first appointed by the United States District Court for the District of Columbia or the Superior Court of the District of Columbia during 1995 or any succeeding year to administer any department, agency, or office of the government of the District of Columbia.

SEC. 3. REQUIREMENTS DESCRIBED.

(a) **PROMOTING FINANCIAL STABILITY AND MANAGEMENT EFFICIENCY.**—Each District of Columbia receiver who is responsible for the administration of a department, agency, or office of the government of the District of Columbia shall carry out the administration of such department, agency, or office through practices which promote the financial stability and management efficiency of the government of the District of Columbia.

(b) **COST CONTROL.**—Each District of Columbia receiver who is responsible for the administration of a department, agency, or office of the government of the District of Columbia shall ensure that the costs incurred in the administration of such department, agency, or office (including personnel costs of the receiver) are consistent with applicable regional and national standards.

(c) **USE OF PRACTICES TO PROMOTE EFFICIENT AND COST-EFFECTIVE ADMINISTRATION.**—Each District of Columbia receiver who is responsible for the administration of a department, agency, or office of the government of the District of Columbia shall carry out the administration of such department, agency, or office through the application of generally accepted accounting principles and generally accepted fiscal management practices.

(d) **PREPARATION AND SUBMISSION OF BUDGET.**—

(1) **CONSULTATION WITH MAYOR AND CHIEF FINANCIAL OFFICER.**—In preparing the annual budget for a fiscal year for the department, agency, or office of the government of the District of Columbia administered by the receiver, each District of Columbia receiver shall consult with the Mayor and Chief Financial Officer of the District of Columbia.

(2) **SUBMISSION OF ESTIMATES.**—After the consultation required under paragraph (1), the receiver shall prepare and submit to the Mayor, for inclusion in the annual budget of the District of Columbia for the year, the receiver's estimates of the expenditures and appropriations necessary for the maintenance and operation of the department, agency, or office for the year.

(3) **TREATMENT BY MAYOR AND COUNCIL.**—The estimates submitted under paragraph (2) shall

be forwarded by the Mayor to the Council for its action pursuant to sections 446 and 603(c) of the District of Columbia Home Rule Act, without revision but subject to the Mayor's recommendations. Notwithstanding any provision of the District of Columbia Home Rule Act, the Council may comment or make recommendations concerning such estimates but shall have no authority under such Act to revise such estimates.

(4) **EXCEPTIONS.**—This subsection shall not apply with respect to—

(A) any department, agency, or office of the government of the District of Columbia administered by a District of Columbia receiver for which, under the terms of the receiver's appointment by the court involved, the Mayor and the Council may revise the annual budget; or

(B) the District of Columbia Housing Authority receiver appointed during 1995.

(5) **EFFECTIVE DATE.**—This subsection shall apply with respect to fiscal year 2001 and each succeeding fiscal year.

(e) **ANNUAL FISCAL, MANAGEMENT, AND PROGRAM AUDIT.**—

(1) **IN GENERAL.**—An annual fiscal, management, and program audit of each department, agency, or office of the government of the District of Columbia administered by a District of Columbia receiver shall be conducted by an independent auditor selected jointly by the receiver involved (or the receiver's designee) and the Mayor (or the Mayor's designee), and each District of Columbia receiver shall provide the auditor with such information and assistance as the auditor may require to conduct such audit.

(2) **EXCEPTIONS.**—Paragraph (1) shall not apply with respect to—

(A) any department, agency, or office of the government of the District of Columbia administered by a District of Columbia receiver for which, under the terms of the receiver's appointment by the court involved, audits are conducted by an auditor selected jointly by the parties to the action under which the receiver was appointed; or

(B) the District of Columbia Housing Authority receiver appointed during 1995.

(f) **PROCUREMENT.**—

(1) **IN GENERAL.**—In carrying out procurement on behalf of the department, agency, or office of the government of the District of Columbia administered by the receiver, each District of Columbia receiver—

(A) shall obtain full and open competition through the use of competitive procedures; and

(B) shall use the competitive procedure or combination of competitive procedures which is best suited under the circumstances of the procurement.

(2) **EXCEPTIONS.**—

(A) **ALTERNATIVE METHODS FOR CERTAIN PROCUREMENT.**—Notwithstanding paragraph (1), a District of Columbia receiver may use alternative methods to carry out procurement if—

(i) the amount involved is nominal;

(ii) the public exigencies require the immediate delivery of the articles or performance of the service involved;

(iii) the receiver certifies that only one source of supply is available; or

(iv) the services involved are required to be performed by the contractor in person and are of a technical and professional nature or are performed under the receiver's supervision and paid for on a time basis.

(B) **HOUSING AUTHORITY.**—Paragraph (1) shall not apply with respect to the District of Columbia Housing Authority receiver appointed during 1995.

SEC. 4. CLARIFICATION OF APPLICABILITY OF ANTI-DEFICIENCY ACT.

Nothing in subchapter III of chapter 13 of title 31, United States Code may be construed to waive the application of the provisions of such subchapter which apply to officers or employees of the District of Columbia government to any District of Columbia receiver.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Virginia (Mr. DAVIS) and the gentleman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. DAVIS).

GENERAL LEAVE

Mr. DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3995, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3995, the District of Columbia Receivership Accountability Act of 2000. The Subcommittee on the District of Columbia, which I chair, of the Committee on Government Reform, is currently examining the status of the City's agencies that are overseen by court-appointed receivers. Presently, there are three outstanding agency receiverships: the Child and Family Services; the Commission on Mental Health Services; and the Corrections Medical Receiver for the District of Columbia Jail.

Each of these agencies has languished in receivership for a substantial period of time and has continued to be plagued by systematic problems in the delivery of expected services. Since these agencies are under the authority of the court system and not the District Government, expedient congressional action is necessary to induce comprehensive reforms within the receivership to return them to the jurisdiction of the District Government.

The Child and Family Services agency was brought under the glare of the public spotlight with the tragic death of young Brianna Blackmond. While Brianna was under the care of the Child and Family Services agency, her life was tragically cut short, at 23 months, by a blunt force trauma injury to the head. As the proud father of three children myself, I can say that stories such as Brianna's stab us in the heart and leave us wondering in amazement at how this could have happened.

Unfortunately, Brianna's death is not a story of a one-time case slipping through the cracks of an otherwise well-functioning child welfare system. Brianna is just one example of many heart-wrenching stories of children adversely affected by the systemic problems of the District of Columbia's child welfare system.

The two other district agencies in receivership have also demonstrated extreme deficiencies in their operations. The Commission on Mental Health Services agency has actually become worse since becoming a receivership. There are currently more mentally ill homeless people on the streets than ever before. Group homes for the mentally ill are poorly run and neglected,

and treatment is difficult to come by. The lack of improvement in their services has recently led the receiver to resign.

The D.C. Jail Medical Services receivership's financial management is in dire straits as well. For example, the receiver recently issued a contract to a private entity which had the D.C. contract as its only contract and had never been in the business, at a cost of three times the national average.

This year alone, these three agencies combined will cost the District of Columbia taxpayers \$352 million in court-controlled spending. In answer to these deafening receivership problems, the gentlewoman from the District of Columbia (Ms. NORTON) and I have joined together to introduce H.R. 3995, the District of Columbia Receivership Accountability Act of 2000 to provide management guidance to these receiverships and make them more accountable to the District of Columbia Government and the City's taxpayers. I would like to commend the gentlewoman from the District of Columbia for her leadership and compassionate interest in repairing these ailing District agencies.

Specifically, the bill places affirmative duties on all the receivers in the areas of best practices. Each receiver should conduct all operations consistent with the best financial and management practices by regional and national standards.

Annual audit by independent auditor. Each receiver must submit to an annual financial and program audit conducted by an independent auditor selected jointly by the receiver involved with the mayor.

Controlling costs. Each receiver must ensure that costs are consistent with applicable regional and national standards. This requirement may be waived in a few exceptional circumstances.

Consultation with City officials on the budget. In preparing the annual budget for the entity in receivership, the receiver must consult with the mayor and the chief financial officer of the District of Columbia. After this consultation, the receivers must prepare and submit their budget to the mayor for inclusion in the City's annual budget. The council may comment and may make recommendations on the receivers' budget estimates.

Procurement practices. When entering into contracts, each receiver must fully comply with generally accepted procurement practices.

Mr. Speaker, the District of Columbia Receivership Accountability Act of 2000 is a significant step towards inducing progressive reforms within the receiverships in order to return them in proper working order to the District of Columbia. I urge all my colleagues to join me in voting to support this vitally needed piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

(Ms. NORTON asked and was given permission to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, I want to thank the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. WAXMAN) for their support of H.R. 3995 the District of Columbia Receivership Accountability Act of 2000 and for the attention they have consistently shown to moving bills that affect the Nation's capital. With so much of the District's vital affairs dependent upon actions by the Congress, I particularly appreciate the attention that the chairman and ranking member have given to the City's bills and concerns.

I particularly want to thank the subcommittee chairman, the gentleman from Virginia (Mr. DAVIS), for his consistently strong leadership on District of Columbia matters and for his support in moving this bill, in particular, forward. H.R. 3995 was passed unanimously by the Subcommittee on the District of Columbia on May 5, 2000 and the full Committee on Government Reform on May 18, 2000.

I appreciate the quick action and serious attention the subcommittee chairman has afforded problems in receiverships that control three D.C. functions. When the chair learned of these problems, he asked me to join him in initiating a GAO study of the District's receiverships, beginning with the receivership for the Child and Family Services agency. We began there because of the tragic and clearly preventable death of the infant Brianna Blackmond; the confusion and uncertainty in assessing responsibility for the child's death; and evidence of disarray the tragedy brought to public view that could mean other children under the care of the receivership may not be safe.

I appreciate as well the concern of the majority whip, the gentleman from Texas (Mr. DELAY), who came personally to testify before the Subcommittee on the District of Columbia in the first of our three public hearings on the outstanding D.C. receivership, the foster care receivership.

In addition, the D.C. jail receivership appears to have excessive costs and irregular procurement practices. And the mental health receivership had problems that were so severe that the receiver had to be replaced. The public housing receivership will end this year and the agency will be returned to District of Columbia control. That receiver, David Gilmore, stands out for the success of his tenure, which took a very complicated agency with the longest history of failure and dysfunction and reformed all of its functions; operations, social services, physical infrastructure, and public safety.

Action by the Congress on the receiverships is necessary because the courts and not the District of Columbia Government have control over the functions. H.R. 3995 responds to the early evidence we have received regarding

basic deficiencies in D.C. receiverships by placing best practice requirements on agencies in receivership in the District of Columbia in seven areas:

One. Financial stability and management efficiency. Receivers must carry out the administration of the agency under receivership through practices which promote the financial stability and management efficiency of the District of Columbia.

Two. Cost controls. Receivers must ensure that costs incurred in the administration of the agency are consistent with applicable regional and national standards.

Three. Best practices. Receivers must carry out the administration of the agency through the application of generally-accepted accounting principles and generally-accepted fiscal and management practices.

Four. Budget preparation. Receivers must consult with the District of Columbia mayor, chief financial officer, and city council prior to submitting the agency budget.

Five. Annual audit. Receivers must submit to an annual fiscal and management audit by an independent auditor selected jointly by the receiver and the city.

Six. Procurement. Receivers must use best procurement practices that foster full and open competition.

Seven. Anti-Deficiency Act. This provision clarifies that the Anti-Deficiency Act applies to District agencies in receivership.

Mr. Speaker, this legislation is non-controversial and strongly supported by the mayor and the city council of the District of Columbia. I urge passage.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

I also want to thank the majority whip, the gentleman from Texas (Mr. DELAY), for his interest and his understanding and his leadership on the bill. He was a very active participant in helping to move this legislation forward and craft it so it would achieve the goals that we all had in mind, and that is to prevent problems like we had with Brianna Blackmond in the future.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. NORTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. DAVIS) that the House suspend the rules and pass the bill, H.R. 3995, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.